

## **DEPARTMENTAL BUDGET INFORMATION**

### **WATER (41)**

#### **STATEMENT OF PURPOSE**

The Water Department will help support the Mayor's vision to transform the government of the City of Detroit to the Next Detroit by applying the guiding principles of the Next Detroit, which means structural balancing by bringing costs in line with revenue, while improving services.

The Detroit Water and Sewerage Department (DWSD) will exceed our customer's expectations through innovative treatment and transmission of water and wastewater that promote healthy communities and economic growth.

#### **DESCRIPTION**

The Water Supply System is administratively part of the Detroit Water and Sewerage Department while maintained as a separate fund in the City of Detroit's accounting system. The department operates five water treatment plants and twenty-one booster (repumping) stations and twenty reservoirs. Of these five water plants, two plants are located in Detroit and one each is located in Allen Park, Dearborn and Port Huron. There are three sources of raw water supply -- Detroit River at Fighting Island, Detroit River at Belle Isle and Lake Huron north of Port Huron. DWSD's five water treatment plants pump an average of 675 million gallons of clean drinking water each day.

The Water Supply System's primary role is to provide potable water for over 4 million residents in Southeastern Michigan, delivered at various points in the system at adequate pressure to meet our customers' needs. The water provided is in conformance to applicable standards as required by Michigan's Safe Drinking Water

Act. The department furnishes sufficient water pressure and pipeline service to assure acceptable fire protection.

The water system serves a total population of nearly 4 million people in Detroit and in 125 other communities within a 1,011 square mile service area in southeastern Michigan. The main administrative offices are located at 735 Randolph in downtown Detroit. Approximately 3,400 miles of transmission and distribution mains within the City of Detroit, and 790 miles of transmission lines in the remaining service area are owned and maintained by the department.

#### **MAJOR INITIATIVES FOR FY 2006-2007**

To maintain the reliability of the distribution system and to improve the efficiency of the equipment. Design has begun on the rehabilitation of the Northeast Water Plant filter control system, and construction will begin on the replacement of obsolete facilities and equipment at Schoolcraft and Wick Road Stations and the Northeast Water Treatment Plant High Lift Pumping Station.

#### **PLANNING FOR THE FUTURE FY 2007-08, FY 2008-09 and BEYOND**

The Next Detroit Neighborhood Initiative (NDNI) is a 5-year strategy focusing on the rejuvenation of Detroit neighborhoods into vibrant areas for the citizens. The approach will concentrate on improving basic quality of life issues such as cleanliness, safety and beautification through growth and development strategies. The Detroit Water and Sewage Department will play an integral role in this strategy through the working plan developed by the NDNI Committee.

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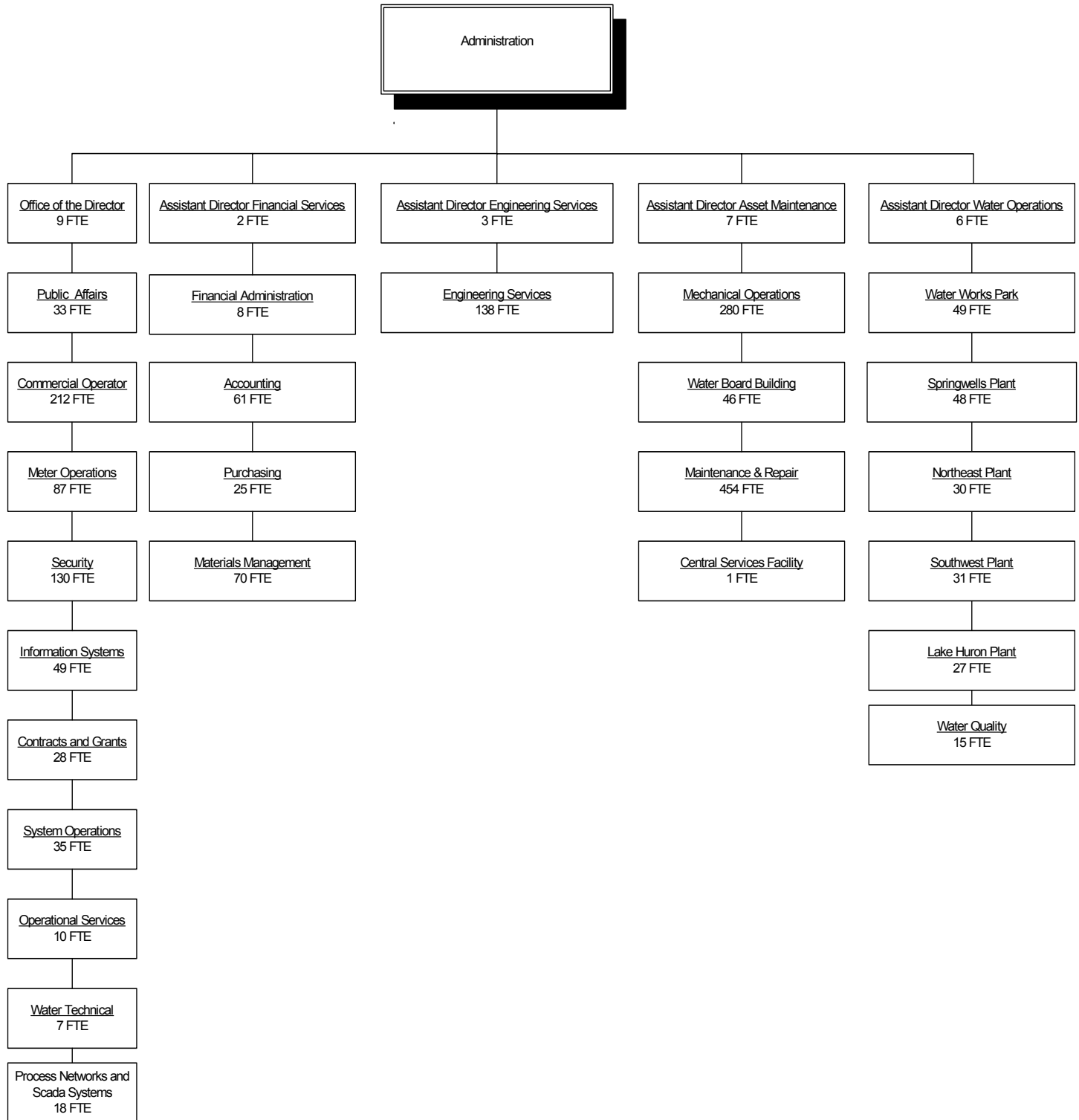
Upgrade the Customer Billing Management System to version 3.0 of the enQuesta Software.

The Water Meter Replacement and Fixed Automatic Meter Reading Equipment Installation has begun. The Meter Operations Division is in the process of

replacing all non-functioning and outdated water meters within the City of Detroit.

The replacement of the water meters will increase overall meter accuracy and greatly reduce meter maintenance cost over the next ten (10) years. The Fixed Network Reading System will allow DWSD to collect daily/hourly reads from every meter for consumption analysis.

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**PERFORMANCE MEASURES AND TARGETS**

<b>Type of Performance Measure:</b> List of Measures	<b>2005-06 Actual</b>	<b>2006-07 Projection</b>	<b>2007-08 Target</b>
<b>Inputs: Resources Allocated or Service Demands Made</b>			
Total hydrants in system	30,430	30,430	30,430
Number of water capital projects	117	159	82
Value of projects	98,122,000	135,769,000	157,619,000
<b>Outputs: Units of Activity directed toward Goals</b>			
Populations served – city	900,000	900,000	900,000
Populations served – suburban	3.3 million	3.3 million	3.3 million
Main leaks and breaks repaired	1,290	1,136	1,100
Fire hydrants repaired or replaced	10,353	5,696	1,100

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**EXPENDITURES**

	2005-06		2007-08			
	Actual	2006-07	Mayor's	Variance	Variance	
	Expense	Redbook	Budget Rec		Percent	
Salary & Wages	\$ 49,467,161	\$ 49,289,459	\$ 42,695,854	(6,593,605)	-13%	
Employee Benefits	17,565,872	25,866,794	34,277,944	8,411,150	33%	
Prof/Contractual	124,510,887	26,836,818	30,643,985	3,807,167	14%	
Operating Supplies	13,055,724	14,260,950	16,500,353	2,239,403	16%	
Operating Services	52,454,338	45,877,671	54,226,743	8,349,072	18%	
Capital Equipment	2,178,282	7,511,000	7,509,000	(2,000)	0%	
Capital Outlays	35,190	47,164	47,164	-	0%	
Fixed Charges	101,063,338	116,507,564	133,906,800	17,399,236	15%	
Other Expenses	(7,110,816)	425,700,516	14,422,780	(411,277,736)	-97%	
<b>TOTAL</b>	<b>\$ 353,219,976</b>	<b>\$ 711,897,936</b>	<b>\$ 334,230,623</b>	<b>\$ (377,667,313)</b>	<b>-53%</b>	
<b>POSITIONS</b>	<b>1,455</b>	<b>1,900</b>	<b>1,919</b>	<b>19</b>	<b>1%</b>	

**REVENUES**

	2005-06		2007-08			
	Actual	2006-07	Mayor's	Variance	Variance	
	Revenue	Redbook	Budget Rec		Percent	
Fines/Forfeits/Penalties	\$ 1,742,055	\$ -	\$ -	\$ -	0%	
Rev from Use of Asset	20,514,826	14,210,900	16,582,500	\$ 2,371,600	17%	
Sales & Charges	279,144,512	296,916,188	317,216,263	\$ 20,300,075	7%	
Sales of Assets	145,284	-	-	\$ -	0%	
Miscellaneous	198,119	400,770,848	431,860	\$ (400,338,988)	-100%	
<b>TOTAL</b>	<b>\$ 301,744,796</b>	<b>\$ 711,897,936</b>	<b>\$ 334,230,623</b>	<b>\$ (377,667,313)</b>	<b>-53%</b>	

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